GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1942
ANSWERED ON:03.08.2001
ICICI LOAN TO KARNATAKA POWER TRANSMISSION CORPORATION LTD.
NAWAL KISHORE RAI;RAMJI LAL SUMAN

Will the Minister of FINANCE be pleased to state:

(a): whether the ICICI has recently agreed to give a loan of Rupees 500 crores to the Karnataka Power Transmission Corporation;

(b): whether the counter guarantee has been obtained for security of loan; (

(c): if so, the facts thereof; and

(d): the guidelines laid down for the financial institutions to ensure and secure repayment of loan?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): ICICI has given `in principle` sanction to Karnataka Power Transmission Corporation Ltd (KPTCL) for a term loan of Rs.50(crores. No disbursement has been made out of the loan till now.

(b) & (c) The loan would be secured by a charge on the fixed assets of the KPTCL as well as a charge over the receivables of KPTCL. The loan does not carry any guarantee.

(d): Financial Institutions including ICICI while extending loans to projects stipulate certain terms and conditions i.e. rate of interest, repayment period, security creation, personal and corporate guarantee etc. to ensure timely implementation of the projects within the estimated cost and to enable the lenders to monitor the project. Certain project specific conditions are also stipulated. Loans are extended to borrowers as per the well laid out credit policy duly approved by their respective boards and also guidelines issued by RBI/Government in this regard.